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Home Country Matters: Environment Munificence Effect on the Strategic Decision and Performance in International Expansion

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PAIK SEO YUN

College of Business Administration

Seoul National University

Abstract

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PAIK SEO YUN
College of Business Administration
The Graduate School
Seoul National University

Existing studies on international expansion have made significant advances in investigating various drivers of international expansion decisions including entry mode and locational selection. However, the empirical evidence on performance effect of international expansion is inconclusive, even contradictory. Because of the inconsistency of performance effect, scholars have employed various theoretical views suggested different solutions. Among them, more recent studies have put significant emphasis on the effect of the contextual moderator. This research stream may be generated from the fact that two prevalent theories in explaining international expansion and performance are competing views, the resource-based view (RBV) and the learning theory because these two theoretical frameworks argue the contradictory explanations for international expansion and its performance consequence. Specifically, the

RBV theory, the traditional baseline in the international business literature, suggests that international expansion generate positive firm value by exploiting ownership advantages in various geographic locations. However, the learning theory focuses on the firms without ownership advantages and argues that international expansion can be an efficient means of acquiring resources or learning knowledge. Since such exploration activity needs to take some time to create positive value, the argument following the learning theory has suggested that benefits emerge at the later stage. Hence, more recent studies have increasingly examined the contextual effect on the performance or firm value of international expansion, based on the contingency theory or the theory of contextual.

Nevertheless, most of the recent studies have still examined several limited environmental dimensions of host country such as culture, economy, or institution. Because the two prevalent theories commonly emphasize resources, this research tries to focus relatively less developed environmental dimension: resource environment of the country. The two theoretical explanations may justify the importance of resource environment in international expansion literature. According to the RBV logic, firms can acquire resources from their external environment and build their competitiveness which can be exploited in foreign markets. Meanwhile, the learning theory indicates that firms pursuing international expansion can overcome or avoid constraints at home to acquire critical resources or competitiveness embedded in foreign countries. In this regard, the resource environment of the country, in particular, the home country,

is the critical factor in international expansion strategies and its value creation. Thus, the main objective of this study is to advance the international expansion literature and to contribute to resolving the still-inconsistent performance effect of international expansion by focusing on the resource environment of the home country.

The first study reviews the background theories and related arguments on the international expansion and performance, with a focus on the contextual effect of the international expansion. Based on the review and critique of background theories and related disciplines (i.e., entry mode and cultural distance), I restructure previous contextual investigations on the performance effect of international expansion into two resource-related environments: organizational task environment and institutional environment. I also provide several directions for future related studies, suggesting the needs of further investigation on the home country environment, resource environment, and longitudinal analysis. Based on the suggestions in the first study, the second study examines the effects of international expansion on firm value by emphasizing the role of environment munificence of home country. This study also sheds light on the contingent effect or a contextual boundary for value creation of international expansion strategies including entry mode, locational selection, and the objective of international expansion, based on the two competing theoretical explanations (RBV and the learning theory) for the performance of international expansion. The results show that when the home country is less munificent, international expansion, collaborative entry mode decision, and the asset-exploitation strategy generate more positive firm value than in the munificent home country. However, the increasing cultural distance does not relate to the home-country environment munificence. The implications of this research are meaningful with regard to what strategies of international expansion will provide opportunities to achieve positive firm value when the home country is harsh and less munificent.

Keywords: International Expansion and Performance, Home Country Environment, Environment Munificence, Entry Mode, Location Selection, the Attribute of International Expansion, E-commerce industry
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CHAPTER I. OVERALL INTRODUCTION

I. RESEARCH OBJECTIVE

Over the decades, prior studies on international expansion have made significant advances in investigating the determinants of international expansion decisions including entry mode and locational selection and its performance consequences. However, current empirical evidence on performance effect of international expansion remains inconclusive, leading to various views and solutions in contemporary research. While some researchers have focused on finding theoretical or methodological drawbacks, other researchers have put more emphasis on investigating a contextual moderator.

Regarding the explanations for the performance of international expansion, existing studies have mainly employed two complementary and competing views: the resource-based view (RBV) and the learning theory. Notably, these two theoretical arguments for the international expansion decision and performance effects show the contradictory explanations, which may be one of the reasons for the existing heterogeneous results of the performance in international expansion. The RBV logic has been the dominant theoretical baseline in the traditional international business literature, arguing that international expansion generate positive economic benefits generated from the exploitation of firm-specific advantages, ownership advantages, in foreign countries (Dunning, 1988a). In contrast, the logic based on the learning theory has focused on the firms without sufficient resources or ownership advantages and argued that the exploration benefit from learning knowledge or acquiring resources in foreign countries generate positive value although such benefits may be achieved at the later stage of international expansion (Johanson & Vahlne, 1977). Because of these two competing theoretical explanations for the performance effect of international expansion, more recent studies on the performance effect of international expansion have increasingly investigated the contextual effect as a moderator, based on the contingency theory (Burns & Stalker, 1961) or the theory of contextual boundary (Whetten, 1989).

However, despite significant recent efforts to investigate contextual effects on the international expansion performance, most of them have examined several limited environmental dimensions such as culture, economy, or institution (e.g., Chao & Kumar, 2010; Gomez-Mejia & Palich, 1997; Zahra & Gavis, 2000). Considering the importance of resources emphasized by two dominant theories implicitly or explicitly, I try to extend the existing studies on the contextual effect on the performance of the international expansion to focus on the "resource environment" of the country. According to the RBV logic, firms can acquire critical resources from their external environment (Miller & Shamise, 1996), and their competitiveness of resources are bound by the external context of firms (Priem & Butler, 2001). Moreover, the learning theory suggests that firms need to overcome or avoid constraints at home to secure critical resources or competitiveness embedded in foreign countries (e.g., Xia et al., 2014). In this regard, I consider the environment munificence, i.e., the resource availability, of the home country is the crucial factor in deciding international expansion strategies and its value creation.

Hence, the main objective of this study is to advance the international expansion literature and to contribute to resolving the still-inconsistent performance effect of international expansion by focusing on the environment munificence of the home country. In doing so, I first review the background and extended theories and arguments on the international expansion and performance and provide several research suggestions for future study. I also study how home-country environment munificence can influence on the firm value generated from the international expansion. Taking the contingency perspective based on the RBV and the learning theory, I test how international expansion, entry mode, locational strategy, and the motivation of internationalization affect firm value depending on the changes of environment munificence of the home country.

II. EMPIRICAL SETTING

This study used panel data on the international expansion of 32 e-commerce firms of U.S. This empirical setting was selected for the following reasons. First, U.S. e-commerce firms have experienced a dynamic pattern of environmental munificence: highly munificence from the late 90s and a sudden, significant decline in environmental munificence in early 2000. After a munificence recovery period in the mid-2000s, the U.S. firms re-encounters an environmental jolt, i.e., the less munificent environment, because of the financial crisis in late 2007. Thus, the e-commerce sector of the U.S. may provide an ideal empirical setting to investigate the effect of environmental munificence. Second, e-commerce firms are inherently different from traditional bricks-and-mortar firms because e-commerce transactions occur through electronic spaces, and as a result, e-commerce firms are less susceptible to physical barriers in the international expansion (Luo, Zhao, & Du, 2005). Third, e-commerce sector has a short industrial history because it emerges in the early 90s. Thus, the externality of e-commerce firms has been through dynamic changes and developments such as the establishment of new regulations and laws, the industrial transformation, and the emergence of a new category of business. Despite the single home-country setting in this paper, it could provide an appropriate empirical setting to test the fundamental changes of home-country resource environment.

Based on the criterion above, I collected 627 international expansion announcement data of 32 e-commerce firm from 1996 to 2008 in the U.S. E-commerce firms in this paper are defined as companies that use online transaction exclusively, and those who also have brick-and-mortar operations are not included in the sample. Based on stock price availability, firms are selected from the Dow Jones Internet Commerce (DJIC) index as well as e-commerce firm listing from Yahoo and Google, and other sources such as SEC documents. Our observation period starts from January 3, 1995, when the first e-commerce firm AOL.com announced IPO, on December 31, 2008, after the year of the financial crisis of 2007. While the average number international expansion per firm is 18.2, the number of international expansions per firm range from 1 to 88 with more occurring later during the study period.

III. OVERVIEW OF CONTENT

The first study reviews the background theories and related arguments on the international expansion and performance. Because of a significant advance in the relevant research over the decades, the overall review and analysis could help to understand how the studies on international expansion evolved and to comprehend the critical variables and contexts in the field. Also, I suggest several future research directions with a focus on the context investigation in the international expansion literature. Based on the future suggestions in the international expansion and performance study, the second study analyzes value creation of international expansion by highlighting the role of environment munificence of home country. This study sheds light on the contingent effect or a contextual boundary for value creation of international expansion, based on the two competing theoretical explanations (RBV and the learning theory) for the performance of international expansion.

CHAPTER II. INTERNATIONAL EXPANSION: BACKGROUND THEORIES, PERFORMANCE EFFECT, AND CONTEXTUAL EFFECT

I. INTRODUCTION

International expansion is a strategy through a firm involves business beyond the national border of its domestic market to multiple countries via export, licensing, and subsidiaries (Barkema & Vermeulen, 1998; Johanson & Vahlne, 1977; Lu & Beamish, 2004; Thomas & Eden, 2004). Since international expansion is supposed to involve a firm′s equity and control, it has been considered to be a strategy for acquisition of competitive advantage in the strategic management and international business literature. Thus, the performance effect by international expansion has been a central discussion issue in the strategy and international business literature over the last decades.

Although the general argument that international expansion is “good” for firm performance has been well accepted with a hundred studies (Contractor, Kumar, & Kundu, 2007), the empirical studies have shown heterogeneous, sometimes contradictory results such as a positive linear effect (Buhner, 1987; Vernon, 1971), a negative linear effect (Brewer, 1981; Ramaswamy, 1992), or a sigmoid relationship (Contractor, Kundu, & Hsu, 2003; Lu & Beamish, 2004; Thomas & Eden, 2004). Recently researchers have started to consider a sigmoid model, which is a so-called “3-stage theory”, to be a “benchmark model” for the performance of international expansion (Glaum & Osterle, 2007), but some scholars argue this theory is not a universally accepted (Wiersema & Bowen, 2011). Hence, the types, effect sizes, and the direction of performance outcomes of international expansion remain inconsistent (Bausch & Krist, 2007; Geringer, Beamish & DaCosta, 1989; Glaum & Osterle, 2007; Gomes & Ramaswamy, 1999; Peng, 2004; Wiersema & Bowen, 2011).

The inconsistency of empirical results on performance effects of international expansion has led to differing views and conclusions in contemporary research. Some of them have suggested several explanations for inconsistent results by investigating theoretical shortcomings (e.g., Gomes & Ramaswamy, 1999; Hennart, 2007), or addressing the methodology issue (e.g., Goerzen & Beamish, 2003; Sullivan, 1994; Shaver, 1998). Meanwhile, other studies put more emphasis on investigating a contextual boundary for the theory application (e.g., Grant, 1987; Bausch & Krist, 2007) because the prevalent theoretical explanations for the relationship between international expansion and performance are based on the two complementary and competing views, i.e., the resource-based view (RBV) and the learning theory. Furthermore, more recently, scholars have considered the performance consequences of international expansion may be context-dependent (Elango & Sethi, 2007; Hitt et al., 2006; Kim et al., 2015), investigating the role of contexts, or environmental factors to find out appropriate contextual condition for the theory. However, despite the significant research efforts, the contextual effects have not been fully specified (Gimeno et al., 2005).

The objectives of this study are twofold. First, this study aims to review the dominant theories and related arguments on the international expansion and performance consequences. As new and diverse relevant research has been added to the literature on the international expansion and its performance over the decades, the overall review and analysis could help to understand how the research field on international expansion evolved and to comprehend the important variables and contexts. Second, on the basis the review and critique of the literature, this study aims to outline several suggestions for continuing research on international expansion and performance. In particular, through the review of empirical articles published in top academic journals that deal with the international expansion, its performance and their relationships, it could identify some opportunities to fill gaps and to resolve contradictory results.

II. BACKGROUND THEORIES

A number of studies have shown theoretical analysis for explaining international expansion decision, and they could be categorized into two dominant research streams: the resource-based view and the learning theory. The first research stream could explain when, where, and how a firm goes international, while the second research stream more focuses on how a firm decides the scope of firm activities (Bausch & Krist, 2007). Both of them also imply theoretical mechanisms how international expansion effects on firm performance.

2.1 The resource-based view

The seminal study by Barney (1991) indicates that firms can develop their competitive advantages by developing or acquiring valuable, rare, and imperfectly imitable firm-specific resources. Hence, proponents of the resource-based view (RBV) suggest that because firms can develop their unique resources and firm-specific advantages, they can exploit their so-called *ownership advantages* in foreign markets (Luo, 2002). Such arguments can also be found in the early relevant literature such as Hymer (1976). The first explanation of international expansion by Hymer (1976) implies the importance of firm-specific assets because internationalization by foreign direct investment can be a means of transferring knowledge in order to arrange international manufacturing activities. In a similar way, traditional literature mainly argues that international expansion is a way of exploiting organizational assets and transferring core competencies such as unique technologies, brand power, and implicit know-how (Caves, 1971; Dunning, 1998b; Kogut, 1983). Extending theoretical rationale from these studies, the RBV arguments of the research has sought to explain international expansion by focusing the importance of firms' intangible resources, the source of ownership advantages (Nachum & Zaheer, 2005). Because the global dispersion increases the economies of scale of the exploitation of ownership advantages, these RBV arguments have insisted that international expansion generate significant economic rents (e.g., Amit & Schoemaker, 1993; Caves, 1971; Hitt et al.,1997; Hymer, 1976; Tallman & Li, 1996). More recent studies also have suggested that the international expansion has positive performance effects because with ownership advantages it exploits market opportunities, reduces risk, and increases market power (e.g., Buhner, 1987; Kim et al., 1993).

Although the RBV arguments imply that firms can gain benefits from the exploitation of economies of scale and greater market power, there can be costs derived from international expansion. Because of the liability of foreignness, the burden or costs that firms must endure in the international expansion (Tallman & Li, 1996; Zaheer & Mosakowski, 1997). Hence, grounded in the RBV, FDI theory or MNE theory more elaborate the main argument of RBV by focusing on the conditions under which it could be beneficial for firms go international. According to these theories, firms need to consider both internal and external factors which can provide the basis for retaining ownership advantages in foreign countries. In other words, based on the main concept of ownership advantages from the RBV, FDI or MNE theories more focus on the organizational internal setting (e.g., Buckely & Casson, 1976; Hennart, 1982), external environment (e.g., Caves, 1971; Morck & Yeung, 1991), and the overall integrated factors (e.g., Dunning, 1980).

As shown in the previous paragraph, the RBV and related theories have considered the organization's internal setting that can be the main source of benefits from international expansion because the organization can acquire significant opportunities to leverage its own firm-specific resources. However, since there are significant transaction costs and liabilities of foreignness from market imperfection, uncertainty, or information asymmetry (e.g., Brouthers, 2002; Davidson & McFetridge, 1984), firms need to decide the effective organizational boundary to retain their ownership advantages in foreign countries. According to the internalization theory, setting up affiliates rather than contracting (with distributors, suppliers, and licensees) is likely to be more effective means of transferring to and exploiting competitive advantages in foreign markets (Buckley & Casson, 1976; Hannart, 1982). Theories focusing on external factors have stressed risks and opportunities embedded in foreign country environments, explaining why MNE exists and such market conditions promote international expansion (Caves, 1971). For instance, based on the location theory Kogut (1985) postulates arbitrage opportunities in factor markets and, as a result, advantages from sourcing and producing in the local market. The OLI (ownership, location, internalization) framework by Dunning (1980), the most frequently applied framework in international expansion literature, brings together these overall concepts. The three components of OLI framework firm-specific ownership advantages, location advantages, and internalization advantages are developed by theoretical insights from RBV (ownership), location theory, and internalization theory.

Overall, the FDI or MNE theory highlights market imperfection or deficiencies in the host country and argues that international expansion enables firms to gain economic rents through the exploitation of their ownership advantages. If the condition of market imperfections favors internalization rather than market transactions, FDI or MNE may gain benefits from ownership advantages, location advantages, and internalization advantages in international markets (Grant, 1987; Kim et al., 1993).

2.2 The Learning Theory

Early research, which is mostly based on the RBV argument, (Ruigrok & Wagner, 2003) has a strong focus on the exploitative gains of international expansion, arguing that a positive performance effect. Theories of early studies assume that firm-specific advantages must generate monopolistic rents because firms encounter liabilities of foreignness and newness (Zaheer, 1995) and other difficulties that might be barriers to such benefits (Bausch & Krist, 2007). However, in the 1990s scholars have recognized that international expansion could be subject to risk and failure because the liabilities and difficulties may generate excessive costs over benefits (Gomers & Ramaswamy, 1999; Ramaswamy, 1992). The geographical dispersion and heterogeneity in market environments lead to diverse costs in communication and coordination (Hofstede, 1980), and the early international expansion is likely to hard to gain profitability because of the lack of experiential knowledge on dealing with such difficulties.

Hence, researchers in this stream have focused on the exploration benefits, rather than on the exploitation benefits, arguing that international expansion improve the knowledge base and capabilities as building the experiential knowledge from operating in foreign markets (Vermeulen & Barkema, 2001; Zahra et al., 2000). In this regard, *the learning theory* views international expansion as a continuous process that incrementally develops organizational learning and knowledge (Barkema & Vermeulen 1998, Hamel 1991; Johanson & Vahlne, 1977). The core argument from the learning theory perspective is that firms can improve competitive advantages through gradual learning and acquiring knowledge about foreign markets in the internationalization process. According to proponents of the learning theory, firms can learn about international operation knowledge as well as new environment/ market-specific knowledge, which may contribute to the increase in firm profitability.

Drawing on the insights from the learning theory, recent scholars further develop related but new perspectives (e.g., Luo, 2000; Luo & Tung, 2007; Weerawardena et al., 2007) to explain the international expansion by new small firms or EMNE. These new perspectives have a strong focus on the role of the source of knowledge or critical assets by international expansion. For instance, combined with the dynamic capabilities view, some studies suggest that the new IJVs or the born global firms pursue a rapid international expansion (e.g., Bell, 1995; Madsen & Servais, 1997; Rialp et al., 2005) because they need to learn and build knowledge base and capabilities through multiple sources and routines (Luo, 2000; Weerawardena et al., 2007). This perspective views international expansion as a way of developing a strategic set of dynamic capabilities from advanced foreign markets, an external network of relationships and the experiential learning. Similarly, other studies argue that EMNEs purse global investments in order to acquire critical assets needed to improve their global competitiveness and to avoid institutional or market constraints at home (e.g., Xia et al., 2014). Such perspective, combined with the resource-dependency theory and the learning theory, views international expansion as a 'springboard' behavior (Luo & Tung, 2007) which strides to overcome latecomer disadvantages in the global market by resource acquisition from advanced MNEs.

In this regard, the learning theory stream also postulates that such acquired knowledge can contribute to superior performance because a firm's operating activities and products/services ultimately reflect improved knowledge and capabilities (Johanson & Vahlne, 1977). For example, Lu and Beamish (2001) found that despite of the performance declines in the initial stages, firms can improve performance through accumulation and development of new knowledge and capabilities from international expansion. Ruigrok and Wagner (2003) also found a later increase in the performance by the learning effect in international expansion.

III. STRATEGIC CHOICES IN INTERNATIONAL EXPANSION AND PERFORMANCE

As international expansion embraces diverse issues regarding selecting and entering foreign markets, scholars have developed its sister disciplines-the location choice and the entry mode decision. Hence, the extant studies on international expansion have also focused on the determinant factors on the selection of country and entry mode and the performance consequences.

The first research stream in the sister disciplines focused on the roles of host country contexts to explain international expansions or FDI. Earlier studies investigated the location related variables, showing that country-level variables, such as market size, market growth, trade barriers, wages, political stability, psychic distance, and government regulations significantly affected final decisions of international expansion (refer to Dunning, 1993 for a brief summary). Following studies further examined how cultural distance and institutional environment affected the international expansion of MNEs. These studies suggested that the differences between foreign and home country cultures may escalate the cost of entry, diminish operational benefits, and hamper the efficient transfer of core competencies to foreign countries (i.e., Bartlett & Ghoshal, 1989; Palich & Gomez-Mejia, 1999). The institutional environment, defined as the "public institutions and policies created by governments as a framework for economic, legal, and social relations" (Globerman & Shapiro, 2003), may also affect a firm's ability to exploit or enhance its capabilities across countries. For example, many studies have found that MNEs are less likely to locate value-creating activity in countries characterized by a more deficient governance system (i.e., Henisz & Delios, 2001; Meyer et al., 2009).

Another research stream from international expansion has examined the choice of foreign market entry modes and their performance implications (e.g., Brouthers, 2002; Pan & Chi, 1999; Woodcock et al., 1994). These studies have argued the choice of entry modes be mainly determined by the MNE's needs to internalize its intangible resources (Buckely & Casson, 1976), and modes of entry would vary in the degree of controls that MNEs have over their tangible and intangible resources. They also showed that MNEs often utilize higher control governance structure, such as acquisitions and WOS, to safeguard firm-specific assets from potential problems and costs while those with less asset specificity are less concerned with safeguarding their technology and prefer modes of entry with high efficiency (Brouthers, 2002). Also, a number of exogenous environmental variables which have been investigated in the second research stream impact upon an MNE's choice of entry mode. Foremost among these are variables relating to country risk, location familiarity, cultural distance, institutional environment, demand conditions, and competition structures that exist in the host market (Hill et al., 1990; Kogut & Singh, 1988). These variables may limit MNEs' ability to exploit or enhance their multinational advantage across countries due to related transaction costs (Brouthers, 2002; Gatignon & Anderson, 1988). More recent studies introduced the notion of experience and familiarity with the choice of foreign entry mode. For example, based on the hypothesis of incremental commitment with experience (Johanson & Vahlne, 1977), several studies showed that more experienced firms tend to enter into a wholly owned subsidiary than in a contractual mode or in partial ownership (Gomes-Casseres, 1989; Agarwal & Ramaswami, 1992).

In terms of the performance implication of the entry mode decision, however, existing empirical evidence supports the idea that entry mode decision is not likely to have a regular effect on the firm performance (Daniels & Bracker, 1989). For example, some scholars showed that WOS is the optimal strategy for revenue maximization (Tang & Yu, 1990), while others found the collaborative mode such as joint venture outperforms acquisition mode (Woodcock et al., 1994).

IV. CONTEXTUAL EFFECTS ON PERFORMANCE OF INTERNATIONAL EXPANSION

As reviewed earlier, certain strategic choices in international business are not likely to guarantee profitability or premium performance per se. Recent studies on the performance consequences of international expansion might be stimulated by this point, considering a moderating effect by contextual characteristics or a contextual boundary condition. Earlier, Grant (1987) already has argued the importance of moderator variables in the relationship between international expansion and performance. He points that contradictory results of the performance consequences of international expansion are due to the ignorance of contextual moderators considered by some researchers. In this regard, researchers have suggested the context-dependent relationship between international expansion (Hitt et al., 2006), and recent research has increasingly emphasized the role of moderating effects on the performance consequences by internationalization strategies (e.g., Kim et al., 2015; Thomas & Eden, 2004).

Although different and various environmental factors have been discussed and analyzed in strategic management and international business field, they could be categorized as organizational task environments (munificence, volatility, complexity) and institutional environments (including the cultural environment).

4.1 Organizational Task Environments

Because a firm's performance depends not only on a bundle of competitive resources but also on the ways of allocation and exploitation of resources (Teece et al., 1997), its external environmental characteristics are supposed to influence on the degree of resource commitment in strategy implementation. In particular, international expansion inherently requires high-level resource commitment to overcome liabilities of foreignness and establish a successful base in foreign markets (Tallman, 1991; Zaheer, 1995). Thus, a firm needs an optimal configuration with such resource commitment and its organizational task environments (Birkinshaw &Morrison, 1995; Chang & Rosenzweig, 2001; Rosenzweig & Singh, 1991).

Organizational task environment has often focused on the market conditions in which how customers, suppliers, and competitors have interactions with organizations (Castrogiobanni, 2002). For example, Sarkar, Cavusgil, and Aulakh (1999) find the effect of the competitive structure of the industry on the international expansion. Martin, Swaminathan, and Mitchell (1998) investigate the relation with buyers and suppliers in explaining international expansion decision, showing the decreasing possibility of international expansion with the number of internationally diverse buyers. In a similar way, Xia and colleagues (2014) focus on the power dependence between home and host country firms ,which varies with the market condition, to explain EMNE's international expansion. Colpan (2008) focuses on the market demand which implies the level of customers income and supply production in order to examine the role of macroeconomic munificence on the relationship between international expansion and performance. Other scholars have also considered various environmental conditions such as the number of buyers and suppliers, the diversity of suppliers, the competitive market environment or the economic characteristics (e.g., Elango and Sethi, 2007; Gimeno et al., 2005; Martin et al., 1998).

Meanwhile, another research stream utilizing organizational task environment has applied more specific environmental dimensions. In this stream, organizational task environment has often been defined as munificence, volatility, and complexity (Dess & Beard, 1984; Keats & Hitt, 1988; McArthur & Nystrom, 1991). Munificence is usually defined as the abundance of resources in the strategic environment and the sufficient capacity to support growth (Dess & Beard, 1984). Volatility or instability refers to the extent to which an environment changes rapidly (Keats & Hitt, 1988; Li et al., 2008), while complexity is defined as the degree of heterogeneity and dispersion of environmental elements (Dess & Beard, 1984; Starbuck, 1976). Kostova and Zaheer (1999) suggest that environmental complexity can influence the international expansion decision because firms operating in internationally complex environments encounter more challenges. Rasheed (2005) find the effect of munificence, volatility, and complexity in the relationship between foreign entry mode and performance consequences, by measuring the market growth and fluctuation, and risk. Wan and Hoskisson (2003) suggest that home-county environmental munificence plays a moderating role in the relationship between international expansion and performance because firms can enjoy sufficient institutional and factor market conditions.

As reviewed, organizational task environments have been largely studied in explaining international expansion, their roles in investigating the contradictory findings on performance consequences of international expansion are relatively less developed. In fact, only a few studies focus on the contextual effect of organizational task environment on the relationship between international expansion and performance (e.g., Riahi-Belkaoui & Picur, 1998; Wan & Hoskisson, 2003; Kim et al., 2015), arguing that complexity and volatility may negatively affect the performance of international expansion whereas munificence is a positive moderator (Hitt et al., 2006).

4.2 Institutional Context

Environmental context of host country has been among the key determinants of international expansion. Because a country's institutional environment shapes a firm's behavior and performance in a given environment

(North, 1991; Scott, 1995), international expansion studies have considered the role of institutional environment in explaining a firm's decisions on international expansion and performance. Early on, a number of institution-based research have tended to concentrate on host country institutional environments rather than on home country. However, they have constructed the concept of institutional environments as risks or uncertainty (e.g., Ahmed et al., 2002; Brouthers et al., 2002; Delios & Beamish, 1999; Luo, 2004), which brought about insignificant research results on the effect of institutional environment (e.g., Kobrin, 1976; Thunnel, 1977).

The recent new institutional theory has suggested theoretically refined and specified dimensions – regulatory, cognitive, and normative (Scott, 1995), which has resolved previous methodological problems (Hennart, 2007; Hitt et al., 2006). Hence, subsequential studies have considered these specific dimensions in international expansion research, and have found that their significant influences on the international expansion decisions (e.g., Acs et al., 1997; Mascarenhas, 1992; Wan, 2005) and entry mode decision (e.g., Brouthers, 2002; Meyer, 2001; Yiu & Makino, 2002). Further, since the national cultural environment is also closely related to the informal institutional environment, some studies have more focus on cultural familiarity or relatedness. In general, researchers use the cultural distance index of Kogut and Singh (1988) and find the significant influence on international expansion decision whereas its effects on performance consequences remain contradictory (e.g., Tihanyi et al., 2005).

Meanwhile, the institution-based view plays a significantly important role in understanding the rapid international expansion by emerging MNEs (EMNEs) (Peng et al., 2008). In this regard, relevant studies on the institutional context in international business have increasingly focused on the home country context. Because institutional contexts of the home country influence the base for firms' resources and competitiveness in foreign markets, EMNEs are less likely to develop competitive resources and advantages that help beat competitors in global markets (Peng et al., 2008). Hence, researchers in this stream have explained that EMNEs pursue the rapid international expansion in order to cope with or avoid the constraints and weakness of institutions in the home country (e.g., Peng et al., 2008).

The effects of such institutional context on the EMNE's performance have also been analyzed. On the one hand, scholars find that institutional environment positively moderates the relationship between international expansion and performance. In other words, the performance of international expansion by EMNEs is negatively moderated by emerging home-country institutional environments (Kim et al., 2010). On the other hand, other studies fail to find such positive effects of well-developed institutions on the international expansion performance (e.g., Salim, 2003). Thus the empirical evidence regarding the effects of institutional context remains inconclusive.

V. SUGGESTIONS FOR FURTHER CONSIDERATION

As reviewed in this paper, substantial studies have made significant progress in understanding the international expansion decision and its performance consequences. Some studies of international expansion have mainly focused on well-acknowledged theoretical frameworks – RBV, OLI or the learning theory – to explain the decisions of international expansion and others have a more focus on the relationship between international expansion and performance. Since these early works have shown the inconsistent findings on the performance effects of international expansion, recent studies have put an effort to find out why and have considered contextual effects for the explaining and attenuating the contradictory relationship. However, this review has disclosed several points where relevant research could still make contributions to the studies, such as the needs of more focus on 1) home country environment, 2) resource or endowment environment, and 3) the need for longitudinal studies.

5.1 Home Country Environment Needs Further Investigation

Through the review in this paper, it appears to be important to have more focus on the home country environment in tangling mixed results of performance consequences by international expansion. The majority of international expansion research has focused firm-level moderators such as product diversification, proxies for firm capabilities (e.g., firm size, age, firm structure and other firm characteristics). In fact, they also recognize the influence of home country effect, but they implicitly control home country conditions by selecting firms from a single home country (e.g., Doukas & Kan, 2006; Gomes & Ramaswamy, 1999; Hennart, 1991). Although some researchers have pointed that location (i.e., country) has relatively less attention than other-level factors in the past (Dunning, 1998b; Makino et al., 2004), most of extant studies focusing on location or country characteristics have heavily focused on host country characteristics such as host country's level of development in terms of economies or institutions, institution or political environment, or economic characteristics (i.e., economic size or the openness) (e.g., Barkema et al., 1996; Delios & Henisz, 2003).

Of course, as we have reviewed earlier, scholars have started investigating for the explanation of SME, or EMNE's international expansion by stressing the effect of home country environment. They suggest that the home country environment play a role of opportunity as well as an obstacle to international expansion with varying economic, institutional, political, and other environmental characteristics (e.g., Cuervo-Cazurra & Genc, 2008; Garcia-Canal & Guillen, 2008; Govindarajan & Ramamurti, 2011; Luo & Wang, 2012; Xia et al., 2014). However, only a few studies investigate the country effects of developed countries, which hinders from fully understanding the home country effect. In other words, the focus on the emerging economies' environment may provide limited understanding because such counties are likely to have low-level economic, social, political, and institutional development. Because a firm's motive for international expansion and its performance or value creation may be significantly associated with well-developed and munificent country environment (Wan & Hoskisson, 2003; Kim et al., 2015), this area could provide some future directions for further investigation on the solving long-debated issue.

5.2 Resource or Endowment Environment Needs Further Focus

Grounded both in the institution-based view and the resource-based view, extant studies have implicitly and explicitly recognized the importance of resource environment. Researchers have also considered resource environment or endowment environment of both home and host country to be important in international expansion research (Buckley & Casson, 1998). However, in the history of international expansion research the resource environment, unlike other country environmental dimensions, has not relatively drawn significant research interest (Starik & Marcus, 2000) except several studies on the host country's resource endowment. In fact, the natural environment or endowment environment of host country has provided strategic implications for a firms' choice of markets for international expansion (e.g., Henisz & Macher, 2004; Kochhar & Hitt, 1995). According to past works focusing on the host country's resource endowment emphasized the market potential for economies of scale (e.g., Kochhar & Hitt, 1995) or technology/innovation capability (e.g., Henisz & Macher, 2004).

Because environmental conditions within countries can determine the type of resources that firms can develop (Khanna & Palepu, 1997; Peng, 2003; Porter, 1990), it would be possible to conceive of the home country environment as resource or factor environment in the macroeconomy. Early on, Wan and Hoskisson (2003) and Wan (2005) suggest that the home-country environmental context is endowed with production factors which are traditionally emphasized but relatively neglected in the international expansion research. They noted that firms pursue strategic actions to utilize or acquire resources to achieve competitive advantages (Rumelt et al., 1991), and hence, diverse levels and types of production factors embedded in the home country would influence on relevant strategic actions and competitiveness. Further, Kim and colleagues (2015) define a resource environment as a strategic factor market and argue that the availability of strategic resource vary across country's environmental conditions and determine whether firms develop competitive advantages or overcome contains in their home country. Thus, investigating and focusing on resource environment of home country may provide appropriate contextual setting both for RBV and the learning theory arguments in performance effect of international expansion. Since the motivation or the attributes of international expansion can generate a different value, such country resource environment may create a contribution to explain the inconsistent relationship between international expansion and performance.

5.3 Longitudinal Studies Need Further Exploration

Existing studies related to the international expansion have relatively ignored the temporal dimension of the performance effect of the international expansion (Thomas & Eden, 2004). Researchers have already recognized the importance of time dimension of international expansion because there will be raising costs and complexities as well as learning curves over time (Barkema & Vermeulen, 1998; Hitt et al., 1997). Hence, the mixed performance consequences may be varying over time dimension, which would require the separation between the short-term and long-term effect of international expansion. Although recent scholars try to incorporate such time dimension through longitudinal studies (e.g., Vermeulen & Barkema, 2002; Wagner, 2004), the majority studies have still use a static, variable (e.g., static cultural distance) rather than temporal, changing a variable in investigating the effect of international expansion. Hence more extensive longitudinal studies incorporating temporal and changing dimension is likely to produce new insights to resolve previous contradictory findings.

5.4 Conclusion

Finding and developing better and more appropriate context for the application of theory will help researchers gain a better understanding of the current mixed results of performance of international expansion. It is important to understand that international expansion is a multilevel phenomenon. Hence, the performance or value creation of international expansion hinges on the characteristics of firm and strategy, on the situation of the industry, and the characteristics of both the country where a focal firm is based (home country) and the country that a firm is entering (host country). Based on the review of existing studies, the review of this work suggests that the characteristics of the home country need to be further developed rather than other characteristics that have been relatively well developed in the literature. Thus we have provided guidance for future research needed to advance our knowledge of the contextual effect of the international expansion in explaining inconsistent performance consequences. I expect related studies to examine further the performance effects with sufficient depth of empirical research and via the development of more complex and consolidated theoretical models that simultaneously considering multiple, multilevel relationships.

CHAPTER III. INTERNATIONAL EXPANSION AND PERFORMANCE: WITH A FOCUS ON THE RESOURCE ENVIRONMENT

I. INTRODUCTION

International expansion could give firms a vast opportunity to exploit beneficial market conditions (Bühner, 1987; Kogut, 1983) and improve their abilities to obtain incremental values by using competitive advantages and expanding multiple international markets (Hymer, 1976; Errunza & Senbet, 1984; Doukas & Travlos, 1988). Thus, the international expansion has been acknowledged to lead to creating additional value to the firms because it helps firms exploit their competitive advantages in more various and multiple conditions (Aybar & Ficici, 2009). However, it also involves significant challenges and complexities derived from liabilities of foreignness. Information asymmetries, the mismatch between firm-specific assets and location-specific assets, and lack of relevant experience may have adverse effects on the value of international expansion efforts (Hitt et al., 1994; Hitt et al., 2001). Hence, existing studies on the firm value implication of international expansion, and the relationship between international expansion and performance show contradictory evidence (e.g., Contractor, Kundu, & Hsu, 2003; Doukas & Kan, 2006; Lu & Beamish, 2004).

The heterogeneity of previous empirical evidence on performance or valuation of international expansion has led to diverse explanations and conclusions in contemporary research. Among different explanations for such confusion, recent scholars have focused on the two different competing theoretical views: the resource-based view (RBV) and the learning theory (Kim et al., 2015). The former logic has dominated the traditional international business literature, arguing that the firms can increase economic gains from the exploitation of firm-specific advantages in foreign countries (Dunning, 1988b; Luo, 2002). In contrast, the logic of learning theory put more emphasis on the importance of resource or knowledge acquisition in foreign countries, arguing that such exploration benefits may emerge at the later stage of international expansion (Barkema & Vermeulen, 1988; Johanson & Vahlne, 1977). Since these two main theoretical logic for the performance effect of international expansion are competing rather than complementary views, scholars have considered that the finding for an appropriate context or contextual boundary for a theory (Whetten, 1989) can resolve the inconsistent and mixed results (Grant, 1987). Also, the contingency theory suggests the need to strategic fit with a focal firm′s contextual environment (Burns & Stalker, 1961; Keats & Hitt, 1988; Goll & Rasheed, 1997), which could generate a positive firm value. Hence, more recent studies give explanations with a focus on the contextual moderators for the inconsistent performance effects of international expansion (e.g., Bausch & Krist, 2007; Garcia-Canal & Sanchez-Lorda, 2013).

The contextual moderators have been employed in the various studies on the international expansion and performance, and most of them are macro-level or country′s environmental factors (e.g., Chao & Kumar, 2010; Nachum, 2004; Zahra & Garvis, 2000). Among them, the cultural, economic, institutional environment of host country have significantly been analyzed as determining factors in the performance or value of international expansion (e.g., Gomez-

Mejia & Palich, 1997; Chao & Kumar, 2010; Zahra & Garvis, 2000). Meanwhile, the prevalent theories of RBV and the learning theory commonly emphasize the importance of ″resources,″ but the resource environment or *environment munificence* has typically received less attention in the international business literature even though previous research shows how environment munificence influences strategic choices and performance (e.g., Beard & Dess, 1981; Hambrick, 1983; Tushman & Anderson, 1986).

The importance of environmental munificence, in particular, of the *home country* in the performance of international expansion, can be justified both from the RBV and the learning theory perspectives. Since firms acquire and configure resources from their external environment (Miller & Shamise, 1996), the arguments from the RBV suggest that the resource environment of the home country can affect to acquire critical resources and develop competitive advantages (Porter, 1990), which would provide opportunities to develop firm-specific advantages or ownership advantages of firms. Meanwhile, the argument from the learning theory calls for the need to acquire or secure critical resources in foreign countries because, probably, the resource environment of the home country could not provide sufficient opportunities or support for firms (e.g., Xia et al., 2014). In this regard, the environmental munificence of the home country could either encourage or restrain firms' international expansion and, as a results, its performance.

Based on the motivations addressed above, this study will investigate how environmental munificence of the home country affects the value creation of international expansions. Specifically, this paper will focus on the internationalizing U.S. e-commerce firms since they have undergone a unique pattern of environmental munificence: very high levels of environmental munificence from the late 90s and a rapid, significant, and sustained decline in early and mid-2000s. Hence, the e-commerce sectors of the United States could provide a perfect opportunity to examine how the value creation of international expansion is changed across different level of munificence. Although prior studies already found the importance of environmental munificence in firm behaviors and outcomes (e.g., Koberg, 1987; Yasai-Ardekani, 1989), they have little employed its effects in the international management field. Thus, this study may contribute to ongoing debates on the performance effect of the international expansion by digging effects of environmental munificence and find an appropriate context to apply two competing and complementary theories.

II. THEORETICAL BACKGROUND

2.1 International Expansion and its Impact on the Firm Value

International expansion usually be defined as the circumstance which a firm's activities involve business beyond the national border of its domestic market to multiple countries via export, licensing, and/or subsidiaries (Barkema &

Vermeulen, 1998; Johanson & Vahlne, 1977; Lu & Beamish, 2004; Thomas & Eden, 2004). The traditional literature on international expansion argues that such global activity can be seen as a way of exploiting firm's competitive advantages or ownership advantages. Hence, they postulate that international expansion can extract positive value from global investments since it allows firms to utilize or transfer "rent creating" resources into foreign markets where firm-specific assets can find comparable value (e.g., Caves, 1971; Hymer, 1976; Kogut, 1983; Dunning, 1998a) and helps exploit host-country market imperfections by internalizing transactions within the MNEs (Buckley & Casson, 1976; Williamson, 1979). Further, resource-based theory scholars would suggest that such an effect can be enhanced by leveraging firm-specific resources and achieving economies of scale and scope (Penrose, 2009; Tallman & Li, 1996), expanding market opportunities (Buhner, 1987), and maximizing location advantage by configuring value-chain activities (Kogut, 1985). Besides, other theoretical arguments also present the benefits of international expansion. Proponents of organizational learning theory propose that firms can secure exploration benefits by expanding a firm's knowledge base and acquiring new resources from international expansion decisions (Barkema & Vermeulen, 1998; Zahra, Ireland, and Hitt, 2000). Other researchers suggest that firms can achieve gains from risk diversification by operating across international markets (Kim, Hwang, & Burgers, 1993; Rugman, 1979). Thus, based on such theoretical arguments, the expected and resulting rents generated from international expansion are likely to be capitalized into a higher value of the Firm (Aybar & Ficici, 2009).

The valuation effect by international expansion has encouraged firms to expand more countries and create a multinational network because global investments across multiple countries could improve the benefits from the systemic advantages inherent in a multinational network (Doukas & Travlos, 1988). The gains from multiple international expansions could stem from the expanded exploitation of firm's critical resources across multinational locations and the cost saving by economies of scale in production, marketing, and finance (Aybar & Ficici, 2009). Also, international expansion, particularly foreign direct investments, may also provide an opportunity to exploit diverse international market conditions and increase the operational flexibility of the firm (Kogut, 1983; Kogut & Kulatilaka, 1994). Hence, prior subsequential works have predicted that a positive relation between international expansion and firm value. Doukas and Travlos (1988) presents evidence on the positive effect of international expansion by acquisitions on U.S. firms' stock prices and argues an increase in the firm's value from the expansion of its multinational network. Morck and Yeung (1991) show that investors value resource exploiting international expansion, supporting the traditional RBV proponents' argument. Doukas and Lang (2003) further present that the largest increase in shareholder values are associated with international diversification.

International expansion, however, can be associated with significant challenges and complexities that threaten the potential expected benefits. The most often cited challenge in international expansion is the liability of foreignness. Various researcher significantly highlights this risk because it pertains to the differences in national culture, customer preferences, business practices, and institutional elements (Zaheer, 1995). Such risk would generate information asymmetries, the mismatch between firm-specific assets and location-specific assets, and the impediment to the realization of strategic objectives (Hitt et al., 2001). The lack of relevant experience in global investments, foreign activities, and the host country may also reduce the benefits of international expansion for firm value. Furthermore, as firms expand and operate in more diverse environments, they encounter the need to integrate and adjust foreign activities, and as a result, suffer an increase in the coordination costs (March and Simon, 1958; Wiersema & Bowen, 2011). In such context, complications in target country or company assessment, misidentification partner company or new entry location, and excessive resource commitment for the decisions may also have adverse effects on the firm value (Hitt et al., 2001).

Thus, there are opposing arguments about the positive impact of international expansion. Some studies find a negative effect of international expansion by foreign direct investments on firm performance (e.g., Christophe, 1997; Ramaswamy, 1992). Further, they propose that continued international expansion increase the complexities of managing internationally diversified organizations and activities, implying that international expansion is also likely to result in net costs (Gomes & Ramaswamy, 1999). Hence, international expansion, in particular, the strategy by means of FDI, may not improve the firm value. For example, the recent literature on international expansion provides empirical evidence on the potential value-destructive effect of international expansion. Denis, Denis, and Yost (2002) show that international expansion may lead to the inefficient multinational network and result in average valuation discounts.

The divergence and heterogeneity of research finding on the relationship between international expansion and firm value may be rooted in the different definition of a salient context associated with each theoretical argument. Grant (1987) has suggested that contradictory findings on the direction of the international expansion-performance relationship are ascribed to contextual moderators considered differently by researchers. According to the contingency theory, firms need to align strategic choices with their contextual environment to achieve strategic fit (Burns & Stalker, 1961; Keats & Hitt, 1988; Goll & Rasheed, 1997), which may result in a positive firm value. Further, the two prevalent theoretical arguments in explaining the performance of international expansion, the exploitation of firm-specific advantages mainly supported by the resource-based view (RBV) (Barney, 1991; Teece et al, 1977) and the exploration for new resource suggested by the learning theory (Johanson & Vahlne, 1977) or the resource dependency theory (RDT) (Xia et al.,2014), are not only complementary but also competing views (Kim, Hoskisson, & Lee, 2015). Given that theory has a bounded condition context, (Whetten, 1989), it could be said that the effect of international expansion clearly exists only under certain contextual conditions (Bausch & Krist, 2007; Kim, Hoskisson, & Lee, 2015). Since both theories commonly stress that firms pursue international expansion to exploit their firm-specific advantages as well as to acquire new resources embedded in the host country, out study would focus on the effect of resource environment in the valuation of international expansion: environment munificence.

2.2 Resource Environment: Environment Munificence

Because firm-specific advantages or competitive advantages can be determined by firm resources and capabilities (Barney, 1991), firms make strategic decisions to exploit or acquire resources to add value in various activities or improve their competitive position (Rumelt et al., 1991). A subsequent amount of studies in RBV and RDT have even suggested that firms acquire and configure critical resources from the external environment or through external interaction (Miller & Shamise, 1996; Priem & Butler, 2001; Xia et al., 2014). Hence, the contextual situation within which firms make decisions and performance implications can be understood from the resource environment perspective.

In this regard, when defining environments, the resources required for competitive advantages and organizational survival have been considered to be one of the most important focus. In particular, county environment can significantly affect on a firm's developing and acquiring resources (Khanna & Palepu, 1997; Peng, 2003; Porter, 1990) because firms need to interact with their external environments to acquire critical resources such as raw materials, capital, and skilled labor (Starbuck, 1976; Aldrich, 1999) to build their competitive advantages (e.g., Porter, 1990). Among a substantial amount of literature on such environmental conditions, Dess and Beard (1984) proposed an appropriate environmental dimension for such characteristics: munificence. Munificence refers to environmental support for a firm's sustained growth (Castrogiovanni, 1991; Starbuck, 1976), highlighting the importance of resources and the diversity of sources from which the resource is available. Such resource-rich context can be characterized by both production factors and demand sides.

On the one hand, production factors have been utilized in the strategy and management field in explaining firm's decision and performance. Production factors are often emphasized as the natural environment or endowment environment in classical economics because factors are used to produce goods or services (Wan & Hoskisson, 2003). Porter (1990) suggest that two types of factors, basic (endowed) factors such as natural or human resources and advanced factors such as capital, technology, and infrastructures significantly influence on competitive advantages for firm, industry, and country. Hence abundant supplies of these production factors embedded in a home country provide firms opportunities to develop their unique competitive advantages or firm-specific advantages. On the other hand, the demand factors include market demands or diversity of consumer preferences. In general, market or consumers tend to have different preferences within and over industries. The economic growth and the rise of income level generate and expand diverse markets in which firms enjoy positive externalities (Colpan, 2008).

As such, resource environment can constitute the critical context within firms devise strategic actions to increase their competitiveness and performance (Wan, 2005), and previous studies in the strategy and management field have investigated the role of environment munificence on the relationship between various strategic actions and performance (Castrogiovanni, 1991). However, in the international business literature, only a few studies have examined this environment munificence regarding in the relationship between international expansion and performance (e.g., Wan & Hoskisson, 2003; Kim et al., 2015). These studies showed that the environment munificence provide sufficient resources and strategic factors, and it has a positive impact on firm performance. It was posited that the international expansion would be the significant benefit for a firm operating in munificent environments provided it exploits superior ownership advantages developed in such resource munificent environment. Similarly, it is widely believed that environment munificence is a positive moderator in the international diversification and performance relationship (Hitt et al., 2006), which implies that firms in the munificent environment could reap positive benefits from the international expansion.

However, it is hard to confirm that such environment munificence has a symmetrical impact on the relationship. In fact, the effect of the less munificent, or hostile environment remains still questionable. Unlike a large body of studies providing arguments for positive moderating role of environment munificence, some give empirical evidence of international expansion being an important strategic driver for firm performance in the less munificent environment (e.g., Kim et al., 2015). Similarly, Rasheed (2005) showed that in the less munificent environment firms could reap higher performance by high-level international investments (i.e., foreign direct investment). Thus, taking into account the abovementioned mixed arguments, we focus on the impact of environment munificence on the performance of international expansion. Specifically, based on the ideas of strategic fit between strategic decision and the environment from the contingency perspective, we examine how firm's international expansion strategy effect on the firm value-a capital-market performance.

III. HYPOTHESES DEVELOPMENT

As already noted, this study mainly aims to investigate when and how international expansion creates positive firm value. Specifically, the present study investigates the contingent value creation of international expansion by incorporating an home-country environment munificence. In doing so, we would set contextual conditions-environment munificence of home country (Bacharach, 1989; Whetten, 1989), to address the major and basic questions such as 1) does international expansion contribute to firm value creation? And 2) under resource munificent or scarce environment, which theoretical argument provides an appropriate firm value?

If the home-country environment is munificent, then firms have easy access to necessary resources (Aldrich, 1999; Pfeffer & Salancik, 1978), and face with less uncertainty of competitions because of abundant resources and expanding market demands. Such munificent environment provides favorable settings for diverse business activities and creates a wide range of strategic options available to firms (e.g., Tushman & Anderson, 1986). Thus, firms in the resource-munificent may not concern resource dependencies or other constraints in the home country but pursue resource-committing strategies, i.e., international expansion more aggressively with abundant resources and strong capabilities. Hence it would be relatively easy for firms to exploit their resources and business model, which have been successful in the home country, and expand customer bases in foreign markets (Luo & Wang, 2012; Petrou, 2007).

Meanwhile, a highly munificent environment may have high-growth markets which are characterized by high growth and expanding preferences in customer demands. In this situation, the marginal value of international expansion strategy is likely to be declined. Highly munificent home country captures the affluent domestic market capacity (Dess & Beard, 1984; Starbuck, 1976), and a growing home market may have more opportunities than a less growing and uncertain foreign market. Furthermore, such home country creates various new market demand and customer bases that a firm can satisfy with its superior competitive advantages (Shou et al., 2013). In this environment, amount of international expansion may include inappropriate strategies because they could neglect or ignore relevant risks and resource commitment. International expansion is significantly associated with high-level risks and uncertainties generated from the selection of target country of partners, the maintenance of network relationships, and the monitoring on host country (Hennart, 1991). Due to these negative factors, stakeholders may be not likely to value the relative benefits of international expansion in the munificent home-country context, considering the strategy to be suboptimal.

On the other hand, the less munificent environment or hostile environment may be characterized as resource scarcity and declining market demand. Firms have difficulties in acquiring resources or in expanding business activities because resource availability declines and resource competition is intensified in a hostile environment. In the less munificent environment, competition for resource acquisition intensifies (e.g., Hambrick, 1983) adversely affecting profitability and organizational slack (e.g., Beard & Dess, 1981) and changing the behaviors of organizational participants (e.g., Koberg, 1987). Simultaneously, the scarcity of resources leads firms to avoid excessive risk-taking and give more attention to the conservation of resources (Goll & Rasheed, 1997). Further, firms may put greater analytical effort to understand and master threats (Khandwalla, 1973) to make conservative and prudent decision makings because the effective resource management is significantly important in the less munificent environments.

Because of hostile and harsh conditions by limited opportunities of acquiring or accessing new resources and customers, investors often value the strategic efforts to overcome decreasing development opportunities and increasing competition by resource dependencies (Shou et al., 2013). In this situation, firms could deploy avoidance strategy to mitigate the resource constraints in a less munificence environmental condition, and international expansion allows firms to access new critical resources and expand new customer base by providing a brand-new set of resource-dependent relationship (Pfeffer & Salancik, 1978). For example, the less munificent home-country environment may encourage firms to enhance strategic efforts and willingness to develop better relationships with international partners (Luo, 2001). In such situation, stakeholders value resource commitment in international expansion favorably because the benefits of reducing resource dependencies likely outweigh the related transaction costs (Katz & Shapiro, 1985; Oliver, 1990; Pfeffer & Nowak, 1976). Accordingly, investors would be more likely to consider the international expansion to be an optimal and suitable strategy in such harsh condition, which could create positive abnormal value.

In sum, the international expansion would overall generate positive firm value-abnormal stock returns, but its valuation would be more positive in the less munificent environment.

Hypothesis 1 (H1): The abnormal stock returns to the international expansion strategy is likely to be more positive in the less munificent environment. In other words, the munificent environment of the home country is likely to negatively moderate the abnormal stock returns to the international expansion strategy.

3.1 Collaborative Entry Strategy

There are various modes of entry in international expansion, which could be categorized as two different modes: Collaborative modes and solitary modes. Collaborative modes include international alliances and joint ventures or even partial acquisition, while solitary modes comprise wholly owned or greenfield investments. Previous literature has shown that each entry modes vary in the degree of control over invested resources and strategic benefits and transaction costs related to that resource commitment (Anderson & Gatignon, 1986; Meyer et al., 2009; Rasheed, 2005).

Collaborative mode, especially by joint ventures or partial acquisition, needs to pool resources and assets between entering MNEs and partner firms. It could offer the relatively faster and efficient means of expanding a sizable presence in a foreign market, but it is also associated with several risk factors such as monitoring costs of local partners, overpayment, and misidentification of the value of resources and assets of partner firms (Chang & Rosenzweig, 2001). In contrast, solitary mode, which indicates establishing a new plant or subsidiary from scratch or acquiring a full interest in a local firm, may focus on the acquisition of full control over the local subsidiary. It would require a significant resource commitment, but are relatively free from the thorny issues of monitoring costs and diverging interests of a local partner. Thus the choice of entry mode may affect the extent to which MNEs benefit from international expansion (e.g., Hennart, 1991; Kogut, 1989; Shrader, 2001).

The contingent value of benefits and risks of entry mode decision could vary with the level of environmental munificence in the home country. In general, international expansion strategies using collaborative entry modes rather than those using solitary modes are likely to be much favorably evaluated. Collaborative entry modes often require a low level of resource commitment to development and management of business infrastructures in a foreign market (Hennart, 1991; Kogut & Singh, 1988). Also, collaborative entry modes easily promote the speed of market expansion, which could help entering firms not only to access new customer bases but also to obtain significant exploitative advantages in local countries (e.g., Merchant & Schendel, 2000). Furthermore, when collaborative partners have rich international operating experience or have a subsidiary in the same target country (e.g., Haddad & Harrison, 1993), the collaborative entry modes would trigger a firm’s adaptation to the target market, which could help for entering firms to alleviate liabilities of foreignness (Mezias, 2002; Zaheer, 1995). Therefore, stakeholders are more likely to respond positively to the collaborative international expansion strategy.

Meanwhile, the contingent value of collaborative international expansion strategy may be more favorable in the less munificent home-country environment. Because of limited resource availability and shrinking market demands in the home country, the strategic efforts to acquire new foreign resources or expand customer base, which can be promoted by collaborative entry modes, are increasingly important. Collaborative partner firms make it easy to access foreign customers and minimize set-up costs in the target country, helping to reduce the volume of resource commitment to overcome liabilities of foreignness. Moreover, the efficient and faster adaptation to the target country provide easy access to resources and customer bases, and it is expected to facilitate increasing returns mechanism (Arthur, 1994; Evans & Wurster, 1999). Thus, the favorable valuation of collaborative international expansion strategy is likely to be strengthened when environmental munificence of home country is low.

Hypothesis 2 (H2): International expansion of firms using collaborative modes may be positively associated with higher abnormal returns when the home-country environment munificence is low rather than high.

3.2 Locational Strategy

International expansion encounters liabilities of foreignness, newness, or outsidership (Johanson & Vahlne, 2009; Zaheer, 1995). Firms need to overcome such liabilities because the liabilities are the main obstacles to acquiring exploitative or explorative benefits from international expansion. Thus, in deciding the locational strategy, firms have to focus on the *distance* between the loci of extant operations and new foreign contexts because the expansion into high distance countries leads to significant liabilities and relevant costs.

Among various distance dimensions (i.e., economic, geographic, political, and cultural) a critical distance dimension is a *cultural distance* (Hutzschenreute et al., 2011; Ghemawat, 2001). Cultural distance has been a widely used variable in international expansion strategies such as location selection and entry mode decisions. Higher cultural distance implies that there are different institutional and cultural backgrounds and idiosyncratic resources and knowledge that are not likely to obtain in the home or proximate country. Hence, cultural distance increases information requirements and challenges firms' coordination and control activities because differences in values, customs, and behaviors between home and host countries affect implementation, operation, and outcomes of international business (e.g., Kogut & Singh, 1988; Johanson & Vahlne, 1990). Thus, higher cultural distance requires entering firms to utilize significant resources and capabilities in order to adjust effectively to the host country, which eventually leads to higher adjustment time and costs (Hutzschenreute et al., 2011).

Firms need to experience time-consuming stages in order to adapt to and coordinate with culturally distant countries, for both transfer and exploitation of firm-specific advantages and learning and acquisition of new knowledge. When a home country is environmentally munificent, firms are more likely to develop competitive resources and capabilities in the home country, and as a result, to easily transfer and exploit their competitive advantages in culturally distant countries. In contrast, when home country is harsh and hostile, firms have difficulties in developing or possessing abundant resources and competitive advantages, which eventually hinders firms from reaping exploitative benefits or acquiring valuable resources knowledge in the culturally distant countries. Previous empirical evidence also implies that cultural distance limited corporate capability to generate rents when entering new countries and U.S. subsidiaries of culturally dissimilar foreign partners were more likely to fail in the U.S. (e.g., Li & Guisinger, 1991).

In sum, the theoretical and empirical research has consistently suggested that cultural distance hinders value creation of international expansions, leading investors to prefer international expansion to countries with similar cultures (e.g., Brouthers & Brouthers, 2001; Shenkar, 2001). Moreover, such negative effect of cultural distance would be more exacerbated when the home country's environment is less munificent.

Hypothesis 3 (H3): International expansion into culturally distant countries may be negatively associated with higher abnormal returns when the home-country environment munificence is low rather than high.

3.3 The Attributes of International Expansion: Asset-Exploitation Strategy

As discussed in the theoretical background, the most significant motives or attributes for international expansion is the exploitation of ownership advantages (*asset-exploitation*) in foreign markets or the exploration of strategic assets (*asset-seeking*) that are only available in the host country. The asset-exploitation strategy follows the RBV arguments, and it has been viewed as the transfer a firm's strategic assets and competitive advantages. Because the exploitation involves using and recombining existing resources and capabilities (March, 1991), firms pursuing asset-exploitation are required to possess or develop certain rent-yielding and competitive resources when entering the host country. Hence, past studies suggested that technological and marketing expertise is the primary sources of ownership advantages that provide firms monopolistic rents in a host country (Caves, 1971; Hymer, 1976).

Meanwhile, the asset-seeking strategy has a logical foundation based on the learning or RDT argument. This strategy is geared to acquire new assets (e.g.., technological knowledge, learning capabilities, management expertise, or other organizational competencies) or partner with competitive foreign firms. Hence, the rapid growth of asset-seeking international expansion in recent years has been best demonstrated by a number of emerging MNEs. According to the relevant studies, asset-seeking international expansion has occurred among latecomers or firms with less developed resources or capabilities (Wesson, 2000). Moreover, a body of research on the international expansion by EMNEs has shown that international expansion is the most effective channel for accessing and acquiring strategic assets in the advanced economies (Chung & Alcacer, 2002; Deng, 2009). Because most of EMNEs have difficulties in accessing and developing needed resources and capabilities in their home countries, they tend to go abroad to avoid such home-country constraints. Thus substantial studies have explained that the less developed home country resources or institutional environments are supposed to determine whether firms pursue such constraints-avoiding strategy (Luo & Tung, 2007; Deng, 2009; Xia et al., 2014).

Extending these arguments, we consider that home-country environmental munificence may influence the attributes of international expansion decision and its strategic value. Home-country munificent environment determines resource embeddedness both from the strategic factors and from the market demand perspectives. From the viewpoint of strategic factors, the abundance of resources (Castrogiovanni, 1991) and lessen resource dependencies (Oliver, 1990) allow firms to access and secure critical resources and develop competitive capabilities. Thus, the *asset-exploitation* international expansion provides firms opportunities to utilize their ownership advantages across foreign countries and thus to reap rents from economies of scale and monopolistic advantages. In the higher munificent home country environment, firms can leverage skills and expertise acquired at home to *exploit* their superior competitive advantages in foreign markets. In contrast, although firms could still pursue asset-exploitation international expansion in the less munificent home country, it may be hard to transfer or exploit optimal skills and capabilities in foreign markets. Since firms have difficulties in accessing valuable resources at home, the expected valuation from the asset-exploitation strategy may be questionable. Hence,

> *Hypothesis 4a (H4a): International expansion of the asset-exploitation strategy may be positively associated with higher abnormal returns when the home-country environment munificence is high rather than low.*

Meanwhile, some scholars have suggested the contradictory arguments. The asset-exploitation international expansion has the primary motivation to exploit market opportunities in foreign countries. However, in the higher munificent environment at home, the strategic value or legitimacy of capturing such opportunities in other countries may be significantly reduced because the munificent home country is already enjoying expanding market demands. In particular, the capital-market performance such as a positive stock market reaction to international expansion only occurs when firms have appropriate investment opportunities (Morck & Yeung, 1992; Chen et al., 2000). In this regard, the asset-exploitation international expansion may be an appropriate strategic action to overcome intensified market competition and declining market demands in the less munificent home country. Hence, this study also sets the competing prediction on the performance effect of the attributes of international expansion strategy-the asset-exploitation international expansion.

Hypothesis 4b (H4b): International expansion of the asset-exploitation strategy may be positively associated with higher abnormal returns when the home-country environment munificence is low rather than high.

IV. DATA AND METHODOLOGY

4.1 Data

The hypotheses for the study were tested with the data on the international expansion of e-commerce firms of the United States. This setting was selected for the following reasons. First, e-commerce firms, in particular in the United States, have undergone an eminent and unique pattern of environmental munificence: very high levels of munificence from the late 90s through early 2000s and a sudden, significant decline in environmental munificence. Thus, the e-commerce sector of the United States may provide ideal research setting to investigate the effect of environmental munificence on the international expansion and stock market reaction. Second, e-commerce firms are significantly different from traditional bricks-and-mortar firms. E-commerce firms sell products or services through internet websites, which distinguishes them from traditional firms, and are less susceptible to physical barriers in the international expansion (Luo, Zhao, & Du, 2005). This characteristic of e-commerce firms would help to focus more on the impact of strategic actions on the firm value with less consideration for organizational reconfiguration, restructuring, or even physical facilities. Third, e-commerce sector is newly emerging industry from the 90s and, as a result, the environment has undergone dynamic and fundamental changes including the establishment of new regulations and laws (e.g., online copyrights infringements by Napster), the industrial transformation of traditional bricks-and-mortar firms (e.g., rebirth of TD Ameritrade), and the emergence of new category of business (e.g., online-marketing firms or software development company). Despite the single home-country setting in this paper, it could provide an appropriate empirical setting to test the fundamental changes of home-country resource environment.

Hence, this study collected data on 627 international expansion announcements of 32 e-commerce firm from 1996 to 2008 in the United States. E-commerce firms in this paper are defined as companies that use online transaction exclusively, which could include various categories of business such as online-marketing company, software development company, data-processing company, or online-retail company. In this process, those e-commerce firms that also have brick-and-mortar operations are not included in the sample. Based on stock price availability, these firms were selected from the Dow Jones Internet Commerce (DJIC) index as well as e-commerce firm listing from Yahoo and Google, and other sources such as SEC documents. Our observation period starts from January 3, 1995, when the first e-commerce firm AOL.com announced IPO, to December 31, 2008, when the financial crisis of 2008 occurred. While the average number international expansion per firm is 18.2, the number of international expansions per firm range from 1 to 88 with more occurring later during the study period.

We kept international expansion announcements containing accurate and detailed information about the date, target country, entry mode, and partner firm. In the case of international alliance announcements, the temporary agreement such as short-term sales promotion event was excluded, since it seldom affects firm value. Also, to control for confounding effects, we excluded international expansion announcements that coincide with other major events which could have an impact on the stock price, such as earning announcement, TMT turnover/appointment, and domestic strategic actions including alliances and M&As. Finally, we have 502 international expansion announcement of 29 e-commerce firms that meeting these conditions above.

We collected data on international expansion announcements and confounding event information from three primary sources: Lexis/Nexis database, PR Newswire, and Business Wire, which have been known for providing a comprehensive report for e-commerce events (e.g., Das, Sen, and Sengupta, 1998). Daily stock-return, value-weighted market index returns, and e-commerce index returns are compiled from CRSP via WRDS database.

4.2 Variables

4.2.1. Dependent Variable

Event study methodology has been used to evaluate the stock price reaction to a specific event such as international expansion. This method has also been applied to identify the organizational implications of exogenous events (McWilliams & Siegel, 1997; Park & Mezias, 2005). This methodology helps to confirm whether a specific event had a positive or negative effect on firm value – abnormal stock returns. Traditionally, the market model, which assumes a linear relationship between the return of a firm and the return of the market portfolio, has been used by event study methodology. For each firm i, the market model expects that the returns are generated by following equation (1).

$$R_{it} = \alpha_i + \beta_i R_{mt} + \varepsilon_{it} \qquad (1)$$

In the equation (1), R_{it} is the return on a firm i at time t. Rmt is the return on the market portfolio at time t. Since the market model assumes linearity and normality of returns, ε_{it} is a random error term for a firm i at time t, and β_i is a firm-specific coefficient, both of which are estimated from the market model regression. Equantion (1) eventually is used to compute the return on the stock that would have been estimated on the event day (i.e., the announement day), or during the estimated event window. This study estimates equation (1) by using 250-day estimation period from t=-11 to t=-260, where t=0 is the event day. Then, the abnormal rreturn (AR) would equal the the actual return minus the estimated normal return:

$$AR_{it} = R_{it} - (\alpha_i + \beta_i R_{mt}) \qquad (2)$$

But the impact of a certain event on firm value may not be limited to a single day (i.e., the event day), event studies usually examines the returns around an event rather than at the event day. In this study, the event window, the estimation period surrounding the event, is defined for three days between day -1 to +1 because the wider event window could not guarantee the non-contamination of the effect of the event. Furthermore, previous studies have used the short event window to investigate alliance announcement, acquisitions, and diversification (e.g., Das et al., 1998; Part & Mezias, 2005). The expected returns estimated from the equation (1) during the event window (-1, 1) are compared with the actual returns within the same event window. CAR, the cumulative abnormal return is calculated from the difference between the expected return and the actual return for the event window as follows.

$$CAR_i = \sum_{t=-1}^{1} AR_{it} \qquad (3)$$

In sum, this study use the CAR (-1,1) around the announcement of the international expansion as the measure of value creation of international expansion.

4.2.2. Independent Variables

Some studies measured *environment munificence* by continuous variables such as industry growth rate, sales growth, or GDP growth rate (e.g., Dess & Beard, 1984; Goll & Rasheed, 1997). However, since this study sets the research sample from the e-commerce firms in the U.S., the advanced economies of the country prohibits capturing of dynamic change of environment munificence from these continuous variables. Hence this study operationalized environment munificence using a dummy variable coding the more munificent period as 0 and the less munificent period as 1. To properly code the environment munificence, this study used the average growth rate of GDP of the U.S. over the period 1996-2008 and its standard deviation. If the difference between the growth rate of the year and the average growth rate during the observation period is higher than the standard deviation over the observation period, this study considered that year to be munificent and coded as 0. In contrast, if the difference between the growth rate of the year and the average growth over the observation period is lower than the standard deviation, I coded 1 as the less munificent period.

This paper used dummy variables to test the influence of other independent influences. First, I introduced a dummy variable labeled COLLABORATIVE ENTRY, valued 1 in the case of international expansion using collaborative modes. It included the alliance, minority acquisition, and joint venture, minority acquisition. Minority acquisition is defined as an acquisition of a stake in the target company lower than 50%, while the joint venture is considered as a holding a stake bigger than 50% in the target firm. Meanwhile, a partial acquisition is considered as a buying a stake in the target company lower than 80%, and total acquisition or green-field investment is holding the shares of the focal firm more than 80%. I coded those two cases as 0 to be the non-partnering entry.

Kogut and Singh's (1988) cultural distance index developed from Hofstede's (1980) country culture measures allowed many studies to investigate the effect of cultural distance in international management research. This index has been calculated based on the four cultural dimensions – power distance, uncertainty avoidance, individualism, and masculinity. Furthermore, this study incorporated the time-dimension of international expansion and used the cultural distance as proxies for strategic international expansion moves, measuring the *added cultural distance* (Hutzschenreuter & Johannes, 2008). Following the measurement from the previous studies (Hutzschenreuter & Johannes, 2008; Hutzschenreuter et al., 2011), this study calculated for every new international expansion the distance to all existing subsidiaries before the event and took the smallest distance. In other words, the added cultural distance of a single international expansion represents its distance to the set of countries in which a focal firm operates, i.e., the distance to the home base of a focal firm (Zhou & Guillen, 2015).

The variable related to the attribute or motivation of international expansion represents access to local market expansion – *the asset exploitation strategy.* This variable was constructed from the announcement information and coded 1 if the information described the motivation of "increasing the reach of service," "moving into new markets," or "distributing contents or services," and otherwise 0. For example, according to the press release file, Yahoo acquired minor stakes of Gmarket, saying that "we look forward to working with Gmarket to further expand Yahoo's leading position in commerce in Asia." In this case, I considered the attribute of international expansion is the asset-exploitation strategy and coded 1. Meanwhile, Getty Images wholly acquired the Digital Vision, saying that "this transaction gives us a wealth of wholly-owned content, allows us to explore innovative offerings such as subscription licensing models and content for emerging broadband-enabled platforms." In this event, the motivation of acquisition is to strengthen Getty's capabilities related to content portfolio and business model, and as a result, I coded 0.

4.2.3. Control Variables

This study also included several control variables in the analysis process. First, year and industry dummies were included with the aim of controlling the unobserved heterogeneity inherent to time or company on the abnormal returns. Second, I also introduced several other control variables already employed previous studies on the stock market reaction. Previous international expansions may not only increase benefits of current international expansion (e.g., Anand & Khanna, 2000), but also generate coordination costs and complexities (e.g., Gulati & Singh, 1998). Thus, a focal firm's experience of international expansion may affect stock market reaction to future similar events. We measured a focal firm's previous international expansions by obtaining the degree of internationalization (DOI) before the event date. Because of the industrial characteristics of e-commerce sector, this paper took an average of composite score generated from two dimensions out of three dimensions of internationalization (Sullivan, 1994; Thomas & Eden, 2004): (1) the proportion of foreign sales to total sales and (2) country scope – the number of foreign countries in which a focal firm operates. Firm age and firm size also influences stock market reactions (e.g., Das et al., 1998; Mezias, 2002; Aybar & Ficici, 2009), I controlled both variables by taking natural logarithm of the number of days from a focal firm's IPO to one day prior to the event (AGE) and of the total assets (SIZE), respectively. Following the calls for controlling for effects of a firm's business model (Hitt et al., 2001), this paper coded the B2C dummy variable (B2C) 1 when the focal firm has B2C model and 0 otherwise. Also, a firm's capabilities could influence on the stock market reaction to strategic actions (e.g., Morck & Yeung, 1992), this paper measured two variables for controlling for major firm capabilities: R&D (R&D) and marketing ratio (MKT), both of which were employed by R&D and advertising expenditure divided by total assets (Morck & Yeung, 1992). Further, previous performance can significantly affect future actions and performance, I controlled ROA by measuring the firm's revenue ratio to the total assets. And this paper also introduced total liabilities (LBT) and investment expenditure (INVST) by taking a natural logarithm of total liabilities and computing the ratio of the dollar value of the investment to the market value (Aybar & Ficici, 2009). Additionally, this paper included the market munificence of host country by controlling GDP growth rate of a host country (Garcia-Canal & Sanchez-Lorda, 2013). When a focal firm enters multiple countries, the arithmetic average of all countries' measures was calculated. Regarding the entry characteristics, I coded a dummy variable 1 when the event is the first operation (including alliance) by the focal firm in the host country. Also, this paper includes a measure the number of entering countries to control effects related to the scope of expansion. Among these control variables, I lagged ROA, R&D, MKT, LBT, SIZE, and GDP growth rate of the host country by one year in the analysis process.

4.3 Analytical Approach

This study employed both an event study and multiple regression with random effects analyses. The event study method was used for testing hypothesis 1, and other hypotheses were analyzed through multiple regression method. The event study method followed Brown and Warner (1985) procedure to test the null hypothesis that the abnormal returns during the event window, namely CAR are equal to zero. I also used a multiple regression analysis to investigate the effect of environment munificence of home country on the firm value. Because the data include multiple events of international expansion of focal firms over a fourteen-year period, autocorrelation, heteroskedasticity, and unobservable firm-specific factors may compromise coefficient estimates (Greene, 2000). With a guide by

Kennedy (2003), autocorrelation and heteroskedasticity were checked by the Durbin-Watson and Breusch-Pagan tests respectively, which indicated that the regression results are not subject to these issues. Although the analysis process included various firm-specific variables into the model to control unobservable firm characteristics that could also influence results, it is still required to use a fixed or a random effects specification for controlling such unobservable firm effects (Kennedy, 2003). In this study, I reported results with GLS random effects because the sample is not a complete population and, moreover, the Hausman test favors to the random effects model specification (Greene, 2000). The regression model includes independent variables, interaction terms, and control variables, but I did not report the coefficients of year and industrial dummy variables in the result table. Finally, this paper employed the mean centering technique, the transformation of data into deviation scores with means equal to zero, in the regression process to reduce correlation among interaction terms (Aiken & West, 1991).

V. RESULTS

Table 1 presents statistics on the average abnormal stock returns, measured as the CAR within three trading days from day –1 to day +1 (CAR-1,+1), is +0.79%, significantly different from zero ($z=2.68$, $p<0.05$). This table reported that international expansion is, on average, associated with positive abnormal returns, showing that international expansion can generate positive firm value. Meanwhile, CARs in the munificent environment is 0.58% and significant at .01 level, whereas CARs in the less munificent environment is 1.14% and significant at .01 level. The mean-difference tests indicate that CARs in the less munificent environment is significantly greater than that in the munificent environment. Overall, this result provides significant support for Hypothesis 1.

Since this study will use multiple regression to test other hypotheses, table 2 reported descriptive statistics and correlation among variables. The correlations among explanatory variables are not particularly high, but correlations between several control variables (e.g., total liabilities and DOI) were moderately high and significant. Hence, I checked the multicollinearity issue by entering or dropping such control variables sequentially and confirmed they did not threaten coefficient estimates.

Insert Tables 1 and 2 about here.

Table 3 presents results of GLS regression with random effects. Model 1 is a base model which includes control variables only, and there is a significant effect of the number of target countries (MULTI) and GDP growth rate of the host country. The positive effect of MULTI variable may be significant because international expansions are on average expected to generate benefits. Moreover, the GDP growth rate of host country has a negative effect on CAR. Because developing economies are likely to have high-level GDP growth rate and to become a target for the exploitation of a focal firm's advantages, this result may imply that the expected benefits may be generated from the exploration for new capabilities rather than the exploitation of competitive advantages. I confirmed this assumption in the Model 2.

Model 2 includes the main independent variables except for environment munificence of the home country. In this model, international expansion using collaborative mode and the added cultural distance significantly affect positive firm value ($p<0.05$). However, the asset-exploitation strategy has a significant negative effect on the value creation ($p<01$). The results of Model 2 imply that the e-commerce firms of U.S. can have positive firm value in international expansion through establishing relationships with partners (collaborative entry), selecting an innovative location (added cultural distance), or pursuing resource or knowledge acquisition (the asset-seeking strategy). It seems that the international expansion of e-commerce firms gains positive value by acquiring critical resources embedded in the host country, which may relate to the positive effects of the added cultural distance. The entry to the culturally distant country may often provide focal firms with opportunities to learn new knowledge and acquire new resources, and e-commerce firms seem to enjoy benefits from such strategic choices in international expansion. Also, since e-commerce firms are less susceptible to the national border or physical barriers in the international markets, the investors may favor the asset-seeking strategy by selecting a highly innovative location.

Model 3 added the environment munificence as an independent variable. As shown in the Model 3, the hostile condition of home-country environment significantly affects positive value creation, which may imply that a particular strategic decision in the constrained environment at home can contribute positive firm value. The results of Model 4 confirmed this assumption. Model 4 includes the three two-way interaction terms among strategic decisions including entry mode (collaborative mode), location selection (added cultural distance), and the objective of international expansion(the asset-exploitation strategy) and home-country environment munificence, each of which is analyzed for testing hypothesis 2, 3, and 4a & 4b. As predicted, the coefficient of the interaction term between collaborative entry and environment munificence is significantly positive ($p<0.1$) and support hypothesis 2. This result indicates that investors value international expansion using collaborative modes when home country is less munificence, which has the similar implication of the result from Model 3. In other words, the strategic value of overcoming or avoidance by international expansion is greater as resource and production factors become scarce and market demand decreases at home. However, hypothesis 3 is rejected because there is no significant interaction effect between added cultural distance and home-country environment munificence. This result contradicts the findings of previous studies on the cultural distance effect on the firm performance (e.g., Brouthers, 2002). Perhaps because of the industrial characteristics, the entry into the culturally distant countries from the home base is not likely to hinder e-commerce firms from obtaining positive firm value either to reduce the effects of the added cultural distance when home-country environments are considered simultaneously. Regarding hypothesis 4a and 4 b, the competing hypotheses, I found the positive interaction effect with the asset-exploitation strategy and home-country environment munificence ($p<0.1$). As a result, Model 4 did not support hypothesis 4a but hypothesis 4b, showing that the asset-exploitation strategy in international expansion is more beneficial in the less munificent home country than in the munificent home country. Combining results from Model 3 and Model 4, e-commerce firms may increase firm value by pursuing the asset-seeking international expansion rather than the asset-exploitation strategy, while the less munificent home-country environment increases the value of the asset-exploitation international expansion.

Insert Tables 3 about here.

VI. DISCUSSION AND CONCLUSION

6.1. Implications and Contributions

This study attempts to examine the important but as yet controversial question of whether international expansion has a positive effect on firm value. In particular, the study has considered to what extent a firm's value is created in the reaction to the announcement of international expansion strategies pursued by e-commerce firms. Based on the extant theories of international expansion – i.e., RBV and the learning theory – and a contingency perspective, this study found a higher positive valuation by the stock market of international expansion carried out in conditions of the lessened munificence of home-country environment. Also, when the home-country environment is less munificent, the stock market reactions were even higher to the collaborateive entry mode and the asset-exploitation strategy. However, the location decision by the increase in the cultural distance had nothing to do with the home-country environment. The following discussion would examine the described results above.

The results found that home-country environment munificence per se affected the stock price reaction significantly, but the effect direction is contrary to the conventional wisdom. Previous research suggested the munificence of home country environment positively affects international expansion decisions and performance (Hitt et al., 2006; Wan & Hoskisson, 2003). Although they did not analyze a straightforward effect of home-country munificence, previous studies suggested that munificent environment of the home country might play a role in providing competitive resources and capabilities through interaction with a firm, which eventually contributes to the positive performance of international expansion. However, the result from this study showed that firms which pursued taking risks to overcome harsh and less munificent environment at home were able to seize the newly created opportunities through international expansion (Hypothesis 1) to exploit their competitive advantages or to acquire new resources. Hence it is possible to explain that investors put more value on international expansion of overcoming constraints at home. Such finding may be consistent with the several studies. According to Wan and Yiu (2009), firms may be conservative in a lessened munificent environment, but they can grasp benefits by pursuing risk-taking strategic actions (e.g., corporation acquisition) to create new opportunities.

Harsh or lessened munificent environment, therefore, entails great opportunities for value creation by international expansion. Furthermore, it even increased the market value of collaborative entry (Hypothesis 2) although it had nothing to do with the value fo strategic decision on location selection (Hypothesis 3). These results mean that when home country is less munificent investors favored the partnership the international expansion since they might see the collaboration as a more beneficial way of foreign activities. However, the investors valued the innovative selection – low cultural similarity - of host country's location regardless of the environmental condition of the home country. This result may entail the value of international experiences and relevant knowledge since the study measured the locational selection as the added cultural distance which reflected accumulated time and experiences in foreign countries.

Regarding the attributes of international expansion strategy, the exploration strategy is are more valued than exploitation strategy although the exploitation strategy is further appreciated in the context of the lessened munificence of home country than in the munificent home country. This result may lie in the fact that e-commerce firms from the U.S. can enjoy the relatively munificent market demand, the investors might not value benefits from the exploitation in foreign countries. However, as the munificence of the home country is reversed, the importance of market expansion and exploitation can be enhanced.

Based on the analyzed results of the effect of added cultural distance and the attributes of international expansion, e-commerce firms may use international expansion as a means of acquiring new resources and knowledge and strengthening firm capabilities through entering culturally distant countries to obtain the more positive firm value (the logic from the learning theory). However, as resource capacity and market demand is significantly declined, e-commerce firms could try to reap positive value by overcoming such home-country constraints and by securing market demand in foreign countries.

6.2. Limitations and Future Research

This study has several limitations that future research needs to consider and improve. First, since this study focuses on a single home-country context, it may have a limitation on the examination of home-country environmental effect. This study tries to complement such shortcoming by select the appropriate environmental context which has experienced the beginning stage, the substantial environmental jolt, the recovery stage, and the other hostile condition from the 90s to late 2000s. The e-commerce firms of this study have been through from an institutional void stage when there was not well-established relevant regulation or laws, proper professional governance, or market structure to an institutionally developed stage, providing various levels of resource munificence in the environment. Future research may extend this research by increasing the number of home countries. Because each country has a different level of resource munificence at home, a number of home country settings could further examine the role of home-country environment munificence in international expansion performance.

Second, this study did not specify the types of environment munificence of the country. Although existing studies on environment munificence, including this study, have used several proxies such as GDP growth rate for measuring environment munificence, it would represent the changes of munificence and not enough to capture the levels and types of the munificence of the home country. For example, the development level of critical factors such as human capital, infrastructure, technological resources, and financial institutions is not always correctly captured in the GDP growth rate. In general, the GDP growth rate of emerging economies is higher than that of advanced economies, but advanced economies such as the U.S. have further developed financial institutions and other factors. In fact, the growth rate or *changes* is not the same direction to the resource *levels,* or *types* both of which can also be used as proxies for environment munificence (e.g., Wan & Hoskisson, 2003; Kim et al., 2015). Thus future research could have more focus on levels and types of environment munificence rather than on the changes.

Third, despite the control of host country characteristics, it would need to consider and compare home and host country characteristics to examine the home country effect. Regarding the country effect on the international expansion decisions and performance, previous studies have mainly focused on the host country characteristics based on various theoretical frameworks (e.g., OLI, TCE, or RBV). Such unbalanced focus on the host country effect has raised the need to investigate home country effect in the international business literature. Recently more researchers have started to focus on the home country effects on the international expansion (e.g., Hennart, 1991; Hoskisson et al. 2013; Luo & Wang, 2012), and this study also follows such research stream, but host country may also need to be integrated into the research model for finding out home country effect. Because the macro-level contexts in the international expansion and performance research are a critical variable with dual aspects of host and home country, future research would enrich related studies by incorporating not by controlling another side of the country.

Finally, this study selected research sample based on the strict criterion that all products or service transactions with an end customer have to occur electronic spaces exclusively, in order to distinguish these firms from traditional bricks-and-mortar firms. However, this criterion makes it relatively difficult to find appropriate samples because most firms pursuing e-commerce strategy have offline stores (e.g., Microsoft, Dell Computers, or 800flowers.com). This limited sample criterion eventually hinders from gathering a large-size sample and, as a result, from comparing home country effect with that of the host country. Hence, a further study could alleviate a sample criterion, i.e., the inclusion of those which have offline stores, and making it possible to compare both effects of home and host country by, for example, using two by two matrix consisting of the changes, levels, or types of environment munificence of home and host countries.

6.3. Conclusion

This study tries to integrate two competing and complementary theoretical explanations of international expansion to alleviate existing contradictory findings on performance effects of international expansion, with attention to the moderating effect of home-country environment munificence. I find that international expansion generally creates positive firm value, which can be stronger when the home country is less munificent rather than munificent. These results may imply that home-country environment munificent could have different effects on the value creation by international expansion from those on the previous findings, because some studies have found that home country munificent positively moderated the financial performance of international expansion (e.g., Wan & Hoskisson, 2003). Furthermore, when home country is less munificent, firms can obtain higher strategic value by pursuing the exploitative benefits or selecting collaborative entry mode in foreign countries.

The implications are substantive when it comes to making appropriate and optimal decisions on the international expansion especially in the harsh and hostile environment at home.

TABLE 1. Abnormal Returns (%) to the International Expansion Events

Event Day	Abnormal Return(AR) N=502	% Pos.	AR in Munificent ENV. N=276	AR in Less Munificent ENV. N=226	t-tests
-1	0.0465 (0.94)	36.3	0.0611 (0.35)	0.0944 (0.80)	1.65
0	0.5236** (3.01)	58.7	0.3495** (2.77)	0.7323** (3.02)	3.43**
1	0.2174 (1.13)	50.2	0.1669 (1.01)	0.3144 (1.45)	1.78*
CAR	0.7875* (2.68)	53.7	0.5775** (2.93)	1.1411** (3.46)	2.29*

a. N=502; + p<0.1; * p<0.05; ** p<0.01, ***p<0.001

b. Numbers in parentheses represent associated z-statistics for a test of the null hypothesis that the cross-sectional mean is zero.

c. CAR represents the cumulative abnormal returns from day -1 to day +1.

TABLE 2. Descriptive Statistics and Correlation Matrix

Var.	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1.	0.79	9.31	1.00																	
2.	0.48	0.49	0.17*	1.00																
3.	0.41	0.49	0.08^{+}	0.14**	1.00															
4.	0.59	0.98	0.15***	-0.01	0.09*	1.00														
5.	0.65	0.48	-0.19*	0.07^{+}	0.08^{+}	0.09*	1.00													
6.	7.04	1.08	-0.08^{+}	0.11*	-0.14**	-0.29***	-0.15***	1.00												
7.	2.07	0.50	-0.02	-0.02	-0.07	-0.02	-0.05	-0.04	1.00											
8.	0.20	0.40	0.05	0.01	-0.16***	0.01	0.11*	0.03	0.01	1.00										
9.	-0.04	0.17	-0.07	0.08^{+}	-0.10*	-0.06	-0.10*	0.32***	0.05	-0.05	1.00									
10.	0.03	0.03	0.06	0.04	-0.02	0.02	0.02	0.05	-0.06	0.24***	-0.17***	1.00								
11.	0.02	0.02	-0.07^{+}	-0.05	0.06	-0.06	-0.01	-0.12***	-0.06	0.05	-0.13***	0.23***	1.00							
12.	0.24	1.67	-0.01	-0.04	0.03	0.09*	-0.08^{+}	-0.10*	-0.02	-0.04	-0.02	-0.07	0.01	1.00						
13.	4.77	1.89	-0.05	0.04	-0.15***	-0.22***	-0.12***	0.75***	0.06	0.25***	0.23***	0.05	-0.11*	-0.12***	1.00					
14.	3.30	7.99	0.10*	-0.01	-0.28***	-0.05	-0.28***	0.08^{+}	0.03	-0.07	0.01	0.02	0.01	0.03	0.10	1.00				
15.	0.18	0.16	-0.08^{+}	-0.09^{+}	-0.07	-0.38***	-0.17***	0.50***	0.06	0.02	0.16***	-0.06	-0.01	-0.08^{+}	0.61***	0.10*	1.00			
16.	0.38	0.49	0.06	-0.11*	-0.02	0.43***	0.20***	-0.29***	0.04	0.10*	-0.08^{+}	0.04	0.02	0.09*	-0.23***	-0.04	-0.34***	1.00		
17.	3.62	2.76	-0.07	-0.12**	-0.12**	0.11*	0.11*	0.10*	-0.02	0.05	0.05	-0.01	-0.11**	0.01	0.20***	-0.03	0.08^{+}	0.17***	1.00	
18.	0.72	0.45	-0.02	0.10*	-0.15***	-0.24***	-0.15***	0.12**	0.03	0.06	0.06	0.05	-0.11*	-0.29***	0.08^{+}	0.01	-0.12**	-0.13***	-0.26***	1.00

a. 1. CAR; 2. Home-country Environment Munificence; 3. Collaborative Entry; 4. Added Cultural Distance; 5. Asset-Exploitation I.E.; 6. AGE; 7. SIZE; 8. B2C Firm; 9. ROA; 10. Marketing Expertise; 11. R&D Expertise; 12. Investment Size; 13. Total Liabilities; 14. Number of Entering Countries; 15. Internationalization (DOI); 16. First Entry; 17. GDP Growth Rate of Host Country; 18. OECD
b. N=502
c. +p<0.10, *p<0.05, **p<0.01, ***p<0.001.

TABLE 3. Results from Multiple Regressions with GLS Random Effects

Variable	Model 1	Model 2	Model 3	Model 4
Constant	0.094**	0.089+	0.086+	0.098+
	(0.054)	(0.052)	(0.043)	(0.048)
(1) COLLABORATIVE ENTRY		0.016*	0.017*	0.014+
		(0.007)	(0.007)	(0.008)
(2) ADDED CULTURAL DISTANCE		0.012*	0.012*	0.012+
		(0.006)	(0.006)	(0.007)
(3) ASSET-EXPLOITATION I.E.		-0.068+	-0.064+	-0.069+
		(0.031)	(0.031)	(0.011)
(EM) ENV. MUNIFICENCE			0.021*	0.038+
			(0.009)	(0.011)
(1)*(EM)				0.018+
				(0.003)
(2)*(EM)				-0.021
				(0.014)
(3)*(EM)				0.015+
				(0.007)
AGE	-0.01	-0.01	-0.01	-0.01
	(0.01)	(0.01)	(0.01)	(0.01)
SIZE	-0.001	-0.001	-0.001	-0.002
	(0.007)	(0.007)	(0.007)	(0.007)
B2C	1.123	1.018	1.016	1.015
	(0.671)	(0.618)	(0.614)	(0.615)
ROA	-0.034+	-0.027+	-0.027+	-0.025+
	(0.009)	(0.010)	(0.009)	(0.01)
MKT	-0.20	-0.127	-0.105	-0.109
	(0.22)	(0.193)	(0.197)	(0.203)
RND	0.033	0.035	0.034	0.033
	(0.031)	(0.028)	(0.025)	(0.025)
INVST	-0.081+	-0.085*	-0.093*	-0.094*
	(0.048)	(0.043)	(0.043)	(0.045)
LBT	0.003	0.002	0.002	0.001
	(0.008)	(0.006)	(0.007)	(0.007)
FIRST	0.07	0.06	0.06	0.05
	(0.041)	(0.039)	(0.039)	(0.041)
MULTI	0.021**	0.019+	0.019+	0.02+
	(0.001)	(0.001)	(0.001)	(0.001)
DOI	-0.057	0.054	-0.081	-0.078
	(0.053)	(0.043)	(0.043)	(0.048)
GDP GROWTH RATE of HOST COUNTRY	-0.041**	-0.042*	-0.044**	-0.044*
	(0.018)	(0.018)	(0.018)	(0.01)
OECD	-0.021+	-0.023+	-0.023+	-0.024+
	(0.013)	(0.012)	(0.012)	(0.012)
R^2	0.05	0.07	0.07	0.08
Wald χ^2	47.62+	55.65*	56.33*	57.88*
d.f.	37	40	41	44

a. N=502; + p<0.1; * p<0.05; ** p<0.01; ***p<0.001

b. The year and industry dummies are included but not reported.

CHAPTER IV. OVERALL CONCLUSION

This study attempts to advance the international expansion literature and to contribute to resolving the still-mixed results on performance effect of international expansion by focusing on the characteristics of the home country, in particular, the resource environment. In the first study, I reviewed the background theories - the RBV, the dynamic capability view, the learning theory, and the resource dependence theory – and related arguments – the entry mode and cultural distance - on the international expansion decisions and its performance. Based on the summary of existing studies, I called for the need to focus on the contextual effect on the performance of international expansion and reconstructed previous context-related research into two research stream on the effect of resource-relevant environmental conditions: organizational task environment and institutional environment. Since these two conditions have a "resource dimension" in common, I suggested further development of resource context in international expansion literature: resource or endowment environment. Also, the needs of further investigation on the home country environment and the temporal dimension of international expansion study are suggested. With consideration these suggestions, I expect related studies to examine further the performance effects with sufficient depth of empirical research and via the development of more complex and consolidated theoretical models that simultaneously considering multiple and multilevel relationships.

Based on the suggestions in the first study, the second study investigates the effects of international expansion on firm value by emphasizing the resource environment, i.e., environment munificence of the home country. This study mainly attempts to examine empirically the important but as yet controversial question of whether international expansion has a positive effect on firm value. Since this research question remains unresolved, I took a contingency perspective in order to investigate under what contextual condition which theoretical argument among the RBV and the learning theory generates the positive firm value of international expansion. Specifically, the second study examines the value creation of various internationalization strategies including entry mode, locational selection, and the objective of international expansion and analyzes how value creation differ across the level of the home-country munificence. The results show that when the home country is less munificent, international expansion, collaborative entry mode decision, and the asset-exploitation strategy generate more positive firm value than in the munificent home country. However, the added cultural distance does not relate to the home-country environment munificence although it is significantly associated with a positive firm value. The second study implies that in the less munificent home country, the optimal avoiding constraints at home and risk-taking actions by international expansion can create positive firm value.

Overall, this research focused on the mixed results on the performance consequences of international expansion and tried to find relatively little attentioned factors: the home country's resource environment. Whether RBV based strategies (e.g., the asset-exploitation strategy) or the learning theory based strategies (e.g., the asset-seeking strategy) obtains positive value creation may depend on the home-country resource environment. Resource munificent environment at home can provide both critical production factors and increasing market opportunity, but e-commerce firms may achieve more benefits by enjoying expanding market demand at home than increasing customer base in the foreign countries. This results is contradictory to the conventional wisdom, implying that the value creation of international expansion by e-commerce firms may reflect the industrial characteristics of e-commerce sector. Moreover, such implication could also be understood by the positive effect of added cultural distance. In the international business literature, culturally distance countries are likely to have different set of production factors and other institutional resources from those at home. Thus, e-commerce firms may achieve unique strategic value of international expansion, which may also suggest the need to future research employing industrial comparison on the performance effect of international expansion.

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국문초록

환경적 자원가용성이 해외진출에서의 전략적 선택과 성과에 미치는 영향: 본국 환경을 중심으로

백 서 윤
서울대학교 대학원
경영학과 경영학 전공

지난 십여 년 간 해외진출에 관한 연구는 매우 활발하게 진행되어 왔으며, 해외진출의 형태와 진출국가의 선택 등 다양한 전략적 선택에 미치는 영향과 그로 인한 성과에 관한 연구도 꾸준하게 증가하여 왔다. 그러나 해외진출이 기업 성과에 미치는 영향에 대해서는 많은 실증적 연구에도 불구하고 긍정적 영향과 부정적 영향, 혹은 해외진출 단계에 따른 역U자와 같은 혼합된 영향 등 아직까지도 명확한 합의가 이뤄지지 않은 상황이다. 이에 많은 학자들이 서로 다른 연구결과를 설명하고 해결하기 위하여 해결책을 제시하여 왔는데, 그 중에서도 최근의 연구들은 기업을 둘러싼 상황이 미치는 조절효과에 초점을 맞추기 시작하였다. 특히 이러한 연구 흐름은 해외진출의 전략적 선택과 성과를 설명하는 가장 대표적이면서 경쟁적 논리를 갖고 있는 두 개

의 이론인 자원기반관점(RBV)와 학습이론(the learning theory)으로부터 촉발되었다고 볼 수 있다. 자원기반관점은 기업의 해외진출을 설명하는 가장 전통적인 이론적 기반 중 하나로, 그에 따르면 기업은 다양한 해외국가에서 자신이 가진 경쟁우위를 활용함으로써 긍정적인 기업가치를 얻게 된다. 그러나 학습이론은 이러한 경쟁우위가 없는 기업에 초점을 맞추어, 해외진출이 중요한 자원이나 지식을 얻는 효과적인 도구가 될 수 있다고 보고 있다. 이러한 탐색적 행위가 긍정적인 가치를 발생시키기까지 시간이 필요하기 때문에, 학습이론에 근거한 논리에 따르면 해외진출에 의한 긍정적 가치는 해외진출 단계의 후기에 주로 발생하게 된다. 따라서 최근의 많은 연구들은 상황이론의 관점을 취하여, 이 두 이론이 각자 어떠한 환경적 상황에서 적절하게 적용되어 해외진출에 따른 성과를 설명하는가에 초점을 두고 있다.

그럼에도 현재까지 대부분의 연구는 주로 진출국가의 문화, 경제, 혹은 제도적 환경 등 제한된 환경적 특성에 초점을 맞추는 경우가 많다. 이에 본 연구는 자원기반관점과 학습이론이 공통적으로 자원의 중요성을 강조하고 있으므로, 그 동안 다소 집중을 받지 못했던 환경차원인 자원환경에 주목을 하고자 한다. 자원기반관점에 따르면, 기업은 자신을 둘러싼 외부환경에서 중요한 자원을 획득하고 경쟁우위를 개발할 수 있고, 이는 해외시장에서 활용할 수 있다. 학습이론에 따르면 해외진출을 하는 기업은 본국의 불리한 환경을 극복하고 해외시장에 있는 중요한 자원을 획득할 수 있다. 이러한 점을 고려할 때, 한 나라, 특히 본국의 자원환경은 기업의 해외진출 전략과 가치창출에 중요한 영향을 미칠 수 있다. 이에 본 연구는 본국의 자원환경에 초점을 두어, 기업의 해외진출이 가치창출에 미치는 영향에 관한 기존의 상이한 연구결과들을 설명해보고자 한다.

첫 번째 연구는 해외진출 전략과 성과에 관한 기본 이론과 관련된 연구들을 통합적으로 점검하고 환경적 상황의 중요성에 초점을 맞추었다. 구체적으로, 기본 이론을 통합적으로 검토하고 관련된 실증연구 결과를 정리하여, 이를 바탕으로 해외진출 및 성과에 대한 연구에서 함께 다루었던 환경적 상황들을 자원과 관련된 특징을 기준으로 크게 조직행동환경과 제도적 환경의 두 가지로 분류하여 검토하였다. 이를 토대로 크게 1) 본국 환경 2) 자원환경의 검토 필요성을 제시하였으며 아울러 해외진출의 역사가 길어짐에 따라 시간 차원을 함께 고려하는 종단적 연구의 필요성도 제시하였다.

첫 번째 연구의 이론적 검토와 제시안을 토대로 하여 두 번째 연구에서는 본국의 자원환경을 환경적 자원가용성으로 파악하여 해외진출이 가치창출에 미치는 영향이 어떻게 달라지는가를 실증적으로 분석하였다. 또한 해외진출의 주요 전략적 선택인 해외진출 형태, 진출국가의 선정, 그리고 해외진출의 목적 등이 과연 본국의 환경적 자원가용성에 따라 어떠한 이론적 근거를 통하여 긍정적인 가치를 창출하는가를 분석하였다. 분석결과, 해외진출, 협력형태의 진출형태, 그리고 자원활용 목적인 해외진출은 본국의 환경적 자원가용성 수준이 낮을 때 보다 긍정적인 가치를 창출하는 것으로 나타났다. 반면 문화적으로 거리가 먼 진출국가의 선정은 그 자체로 긍정적인 가치를 창출하는 반면 본국의 환경적 가용성과 유의한 상호효과는 없는 것으로 나타났다. 이러한 연구결과들은 본국의 환경적 자원가용성 수준이 낮아 가혹한 상황이더라도 환경과의 적합성이 높은 적절한 해외진출 전략을 통해 긍정적인 가치를 창출할 수 있는 기회가 될 수 있음을 시사하고 있다.

주요어: 해외진출과 성과, 본국의 환경, 환경적 자원가용성, 해외진출 형태, 진출국가 선정, 해외진출의 목적, e-commerce 산업

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